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ALEXANDER L. STEVAS,
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No. 9, Original

In the Supreme Court of the United States

OCTOBER TERM, 1981

UNITED STATES OF AMERICA, *Plaintiff*

v.

STATE OF LOUISIANA, ET AL.
(LOUISIANA BOUNDARY CASE)

FINAL REPORT OF THE SPECIAL MASTER

WALTER P. ARMSTRONG, JR.
Special Master

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In the Supreme Court of the United States

OCTOBER TERM, 1981

No. 9, Original

UNITED STATES OF AMERICA, *Plaintiff*

v.

STATE OF LOUISIANA, ET AL.
(LOUISIANA BOUNDARY CASE)

FINAL REPORT OF THE SPECIAL MASTER

The Court's Final Decree herein, entered June 22, 1981, required the United States and the State of Louisiana to file final accountings reflecting all sums remaining due by one sovereign to the other attributable to revenues derived from the submerged lands encompassed by this proceeding. Those accountings were duly filed (with a later correction in the case of the United States), and the undisputed net balance due by the United States, some $17,798,120.66, was paid to the State on or about January 4, 1982. However, each party filed one or more objections to the accounting of the other and those objections were, by Order of January 11, 1982, referred by the Court to its Special Master.

In summary, the objections were as follows:

(1) The State of Louisiana claimed that the United States had wrongfully withheld, and failed to account for, Windfall Profits Taxes assessed in respect of oil royalties attributable to lands adjudicated to Louisiana;

(2) The State asserted that the United States had failed to account for revenues attributable to specified producing units;

(3) The United States contended that the State had failed to compute royalty on the gross value of the oil produced from lands adjudicated to the United States; and, accordingly, had failed to account fully for sums due the United States from State leases.

Since the reference of these objections to the Special Master, the parties have sought to resolve their differences. They have now done so, and have entered into a Stipulation (Appendix "A" hereto), which sets forth the basis upon which the two parties agree their respective objections should be resolved. To the extent there specified, the United States and the State of Louisiana suggest that each of the objections should be sustained and that, accordingly, the United States is further indebted to the State in the net sum of $3,251,609.76. The parties have, moreover, submitted to the Master a form of Order to carry out their agreement (Appendix "B" hereto), and they urge the Master to recommend its entry by the Court.

The Special Master has reviewed the Final Accountings previously filed, the Objections thereto, the Stipulation of the parties, and the proposed Order. In the Master's judg-

ment, the agreed resolution of the objections is reasonable and consistent with the Court's rulings in the case. And the proposed Order seems to the Master appropriate in all respects.

The Master has submitted to the parties his account, reflecting outstanding expenses incurred by him and a fee bill for his services, and they have approved it. That account has been separately transmitted to the Court.

The Special Master now recommends that the Court enter the proposed Order appended to this Report.

Respectfully submitted,

WALTER P. ARMSTRONG, JR.
Special Master

May 10, 1982.

APPENDIX "A"

IN THE SUPREME COURT OF THE UNITED STATES
OCTOBER TERM, 1981

No. 9, Original

UNITED STATES, PLAINTIFF

v.

STATE OF LOUISIANA

ON BILL OF COMPLAINT

STIPULATION

Whereas, the Court's Final Decree entered June 22, 1981, required the parties to file Final Accountings by December 1, 1981, reflecting all sums remaining due by one sovereign to the other attributable to revenues derived from submerged lands encompassed by this proceeding;

Whereas, the said accountings were timely filed; the accounting of the United States was later corrected; the accountings, as corrected, reflected an undisputed net

balance due by the United States to the State of Louisiana of $17,798,120.66; and the said sum was duly paid over to the State on or about January 4, 1982;

Whereas, each party accepted the correctness of the accounting filed by the other, subject only to specified Objections filed with the Court in January, 1982;

Whereas, by Order of January 11, 1982, the Court referred the said Objections to its Special Master;

Whereas, the parties have now resolved their differences, and have agreed upon the proper disposition of their respective Objections to the Final Accountings;

It is now STIPULATED AND AGREED as follows:

1. The State of Louisiana's first Objection to the Final Accounting of the United States, relating to the withholding of Windfall Profits Taxes in respect of royalties attributable to lands adjudicated to Louisiana, should be sustained, and the additional sum due to the State by the United States in respect of this paragraph is $1,393,264.18;

2. The State of Louisiana's second Objection to the Final Accounting of the United States, relating to the failure to account for revenues attributable to specified producing units, should be sustained, and the additional sum due to the State by the United States in respect of this paragraph is $1,077,859.94;

3. The Objection of the United States to the Final Accounting of the State of Louisiana, relating to the failure of the State to compute royalty on the gross value of the

oil and gas produced from lands adjudicated to the United States, should be sustained insofar as concerns royalties payable after June 16, 1975, and the additional sum due to the United States by the State on this ground is $209,-514.36; however, the United States having withheld $990,000 on this ground, the United States now owes the State the additional sum of $780,485.64 in respect of this paragraph;

4. The aggregate additional sum due to the State by the United States is accordingly $3,251,609.76; however, payment of this amount shall not be made until entry by the Court of an Order approving the Special Master's Report and recommendation to the Court to this effect;

5. The parties will join in proposing to the Special Master that he recommend to the Court an Order approving the resolution of the outstanding Objections to the Accountings in accordance with this Stipulation, directing the United States forthwith to pay to the State of Louisiana the said sum of $3,251,609.76, and declaring that, upon the receipt by the State of the said payment, all accountings required by the Decree of June 22, 1981, shall be deemed to have been made, all objections thereto disposed of, all payments due by one party to the other in respect of the matters in controversy in these proceedings satisfied, all issues as to which the Court retained jurisdiction by the said Decree resolved, and, accordingly, that the Interim Agreement of October 12, 1956, shall be deemed terminated and all sums remaining in the impounded fund account established pursuant to that Agreement are unconditionally released to the United States;

6. The parties agree that all expenses incurred by the Special Master in these proceedings since June 16, 1975, as well as the compensation allowed him, shall be borne equally by the parties.

Dated 4/8/82

/s/ REX E. LEE
REX E. LEE
Solicitor General of the United States

Dated 4/27/82

/s/ WILLIAM J. GUSTE, JR.
WILLIAM GUSTE, JR.
Attorney General of the State of Louisiana

APPENDIX "B"

SUPREME COURT OF THE UNITED STATES

No. 9, Original

UNITED STATES OF AMERICA, *Plaintiff* v. STATE OF LOUISIANA	On Bill of Complaint (Louisiana Boundary Case)

ORDER

Pursuant to this Court's Final Decree herein entered on June 22, 1981, the United States and the State of Louisiana filed their Final Accountings, and, subsequently, each party filed Objections to the Accounting of the other. By an Order entered on January 11, 1982, the Court referred the said Objections to its Special Master. The parties have now agreed upon these matters, have submitted to the Special Master a proposed Order, and the Special Master, with the concurrence of both parties, has recommended its entry by the Court.

Accordingly,

It is ORDERED, ADJUDGED AND DECREED:

1. The Final Report of the Special Master is received and ordered filed.

2. The objections to accountings previously filed are sustained to the extent recommended in the Report of the Special Master.

3. All accountings required by the Court's Decree of June 22, 1981, have been made and, as supplemented by the ruling on the objections thereto, are now approved.

4. The United States is directed forthwith to pay over to the State of Louisiana the outstanding sum of $3,251. 609.76.

5. After the payment directed by paragraph 4 above, neither party shall be accountable to the other for any further payment in respect of the matters in controversy in these proceedings between the United States and the State of Louisiana.

6. Upon receipt by the State of Louisiana of the payment directed by paragraph 4, above, the Interim Agreement of October 12, 1956, shall be deemed terminated for all purposes and all sums remaining in the impounded fund account established pursuant to that Agreement are unconditionally released to the United States.

7. The account submitted by the Special Master is approved and the balance owing to him shall be paid in equal shares by the United States and the State of Louisiana.

8. The Special Master is discharged in this case insofar as the proceedings involve the controversy between the United States and the State of Louisiana.